



Wisconsin's Collateral Source Rule: Prevents Premium Theft

Responsible Wisconsinites Who Plan Ahead And Purchase Insurance Should Not Get LESS Coverage Than People Without Insurance!!!

In Wisconsin, an injured person can recover the reasonable value of the medical care required to treat the injury. To uphold this right, Wisconsin follows the *collateral source rule*, which provides that an injured party's recovery cannot be reduced by payments or benefits from other sources.

*For example, if you are in a serious automobile accident, caused by a bad driver, oftentimes your health insurance coverage will pay for the medical bills related to your accident. The bills, which are sent to you, are presumed to be the **reasonable value of the care** you received. However, in many cases your health insurance company, which you have paid premiums to, has negotiated a different rate of reimbursement.*

Bad drivers and their insurance companies want to change the way the **reasonable value of medical care** is determined, allowing into evidence the amount the health insurance company paid as well as the amount billed. This will confuse jurors. The **ONLY** relevant information for jurors to consider is the amount of the medical expenses that are "**reasonable and necessary charges**" to treat the injury. If the jury hears about "**outside sources of payment,**" it misleads them because the **jury is not told about offsetting costs and expenses**, like premiums paid for the coverage. Giving the jury just part of the story hides part of the very real and actual loss and cost incurred by the injured. **It encourages Premium Theft.**

*Any proposal that would allow the bad driver to pay **less** to the person he ran over, just because that injured person had insurance, is **stealing the premiums that injured person paid for that coverage!** Such a change would mean that an injured person who has **worked hard, planned ahead, and made sacrifices** to obtain health coverage, disability insurance and other benefits **would receive LESS for the same injury than someone who never bothered to buy insurance. That is Premium Theft.***

The *collateral source rule* prevents a reduction in the amount of damages by payments or benefits from other outside sources, like health insurance. **The current law does three important things:**

1. **Places the full cost of the wrongful conduct (like causing a car crash) on the bad driver.** This prevents a bad driver from receiving any benefit that the injured person paid for, like health or disability insurance.
2. **Fully compensates the injured party** by making sure the injured party gets the recovery he or she is entitled to receive – and doesn't penalize him by making him pay premiums **AND** get less in recovery.
3. **Lets the person with insurance to receive the benefit** of the premiums paid for insurance coverage that he/she had the foresight to purchase. The money you spent on premiums shouldn't go to the person who ran you over.

The Collateral Source Rule Protects Wisconsin Residents Fairly